



**Agenda Item Number: 2005-8-7A**

## **BERNALILLO COUNTY BOARD OF COUNTY COMMISSIONERS**

---

**Meeting Date:** August 23, 2005

**Department:** Finance **Staff Contact:** Thaddeus Lucero, County Manager  
Dan Mayfield, Deputy County Manager for  
Budget & Finance  
Hughes & Strumor Ltd., Bond Counsel

**TITLE:** Refunding General Obligation Bonds

**ACTION:** Motion to approve Financial Resolution **FR -2005** Refunding of  
General Obligation Bonds.

### **SUMMARY:**

Bernalillo County currently has three outstanding general obligation bond issues that are available for refunding and meet general refunding criteria. The refunding of the County's Series 1995 bonds, Series 1996 bonds, and Series 2000 bonds provide significant savings. Current market conditions are ideal to take advantage of an advanced and current refunding opportunity since interest rates should continue to rise throughout the year.

The proposed refunding will call approximately \$4,410,000 of the Series 1995 bonds, and \$2,700,000 of the 1996 bonds and \$6,275,000 of the 2000 bonds. The funds to call the refunded maturities will be placed in escrow until the call date on February 1, 2006 for the Series 1995 bonds, August 1, 2006 for the 1996 bonds, and February 1, 2011 for the 2000 bonds.

The total proposed size of the refunding issue is estimated at a par amount of approximately \$13,650,000 which includes costs of issuance and advisory fees. The total gross savings is estimated at \$375,413 and the net present value savings is estimated at \$413,228 or 3.067%.

### **ATTACHMENT:**

1. Financial Resolution **FR -2005** Refunding of General Obligation Bonds

### **FISCAL IMPACT**

Assuming interest rates do not change by the time the refunding bond is sold the present value of the savings will be in excess of 3%. After the bond is sold a bonding capacity analysis will be completed in order to determine the final effect upon the County's bonding capacity.

# **STAFF ANALYSIS SUMMARY**

## **COUNTY MANAGER**

I recommend adoption of the Resolution to refund the 1995 Go Series, 1996 GO Series and the 2000 GO Series. If the bond is successfully refunded staff will complete a bonding capacity analysis and I will report the results to the Board. TL 8/16/05

## **DEPUTY COUNTY MANAGER FOR BUDGET AND FINANCE**

See summary and fiscal impact.

## **LEGAL**

Hughes & Strumor, LTD. the County's Bond Counsel has prepared all legal documents.